


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: November 6, 2018

SUBJECT: Fiscal Impact Statement – Rent Charged Definition Clarification
Amendment Act of 2018

REFERENCE: Bill 22-999, as introduced

Conclusion

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

Background

The bill updates the Rental Housing Act of 1985's definition¹ of "rent charged" to reflect a recent decision of the Rental Housing Commission². Before the case law definition was created, landlords of rent controlled buildings could list as rent charged the maximum rent allowed, even if those rents were higher than what the tenant was actually paying. This policy allowed landlords, at lease renewal, to increase rents beyond the maximum increase that otherwise would have been permitted.

Under the updated definition, the rent on which future increases can be based will be the actual amount paid by the tenant. The rent charged must be included in notices of rent adjustments provided to tenants and in any notice to the Department of Housing and Community Development's Rental Accommodations Division. The bill also requires rental adjustment notices to tenants to include a summary of tenant rights under the Rental Housing Act and a list of sources of technical assistance.

¹ Effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.03 et seq.).

² Fineman v. Smith Property Holdings Van Ness LP, RH-TP- 16-30,842, Decision and Order, January 18, 2018.

The Honorable Phil Mendelson
FIS: "Rent Charged Definition Clarification Amendment Act of 2018," as introduced

Financial Plan Impact

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The Rental Accommodations Division must update its disclosure forms, which can be implemented with current staffing and resources.